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EXTRAORDINARY

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PART II—Section 3—Sub-section (i)

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।

Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND CO-OPERATION

(Department of Food)

ORDER

*New Delhi, the 16th July 1966*

**G.S.R. 1126/Ess Com./Sugarcane.**—In exercise of the powers conferred by section 3 of the Essential Commodities Act, 1955 (10 of 1955), the Central Government hereby makes the following Order, namely:—

1. **Short title, extent and commencement.**—(1) This Order may be called the Sugarcane (Control) Order, 1966.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force at once.

2. **Definitions.**—In this Order, unless the context otherwise requires,—

(a) 'crusher' means a crusher drawn by bullock or any other animal and engaged or ordinarily engaged in the crushing of sugarcane and includes any equipment for manufacturing gur, shakkar, gul, jaggery, rab or khandsari sugar;

(b) 'co-operative society' means a co-operative society registered under the Co-operative Societies Act, 1912 (2 of 1912), or under any other law for the time being in force relating to co-operative societies;

- (c) 'factory' means any premises including the precincts thereof in any part of which sugar is manufactured by vacuum pan process;
- (d) 'khandsari sugar' means sugar produced by open pan process,
- (e) 'khandsari unit' means a unit engaged or ordinarily engaged in the manufacture of khandsari sugar from sugarcane juice or rab;
- (f) 'power crusher' means a crusher working with the aid of diesel, electrical or steam power and engaged or ordinarily engaged in crushing sugarcane and extracting juice therefrom for the manufacture of gur, shakkar, gul, jaggery, rab or khandsari sugar;
- (g) 'price' means the price or the minimum price fixed by the Central Government from time to time for sugarcane delivered at the gate of a factory or sugarcane purchasing centre;
- (h) 'producer of khandsari sugar' means a person carrying on the business of manufacturing sugar by open pan process;
- (i) 'producer of sugar' means a person carrying on the business of manufacturing sugar by vacuum pan process;
- (j) 'reserved area' means any area where sugarcane is grown and reserved for a factory under sub-clause (1)(a) of clause 6;
- (k) 'year' means the year commencing on the first day of July and ending with the thirtieth day of June in the year next following.

3. **Minimum price of sugarcane payable by producer of sugar.**—(1) The Central Government may, after consultation with such authorities, bodies or associations as it may deem fit, by notification in the Official Gazette, from time to time, fix the minimum price of sugarcane to be paid by producers of sugar or their agents for the sugarcane purchased by them, having regard to—

- (a) the cost of production of sugarcane,
- (b) the return to the grower from alternative crops and the general trend of prices of agricultural commodities;
- (c) the availability of sugar to the consumer at a fair price;
- (d) the price at which sugar produced from sugarcane is sold by producers of sugar; and
- (e) the recovery of sugar from sugarcane;

Provided that the Central Government or, with the approval of the Central Government, the State Government, may, in such circumstances and subject to such conditions as it may specify, allow a suitable rebate in the price so fixed.

*Explanation*—(1) Different prices may be fixed for different areas or different qualities or varieties of sugarcane.

(2) No person shall sell or agree to sell sugarcane to a producer of sugar or his agent, and no such producer or agent shall purchase or agree to purchase sugarcane, at a price lower than that fixed under sub-clause (1).

(3) Where a producer of sugar purchases any sugarcane from a grower of sugarcane or from a sugarcane growers' Co-operative Society, the producer shall, unless there is an agreement in writing to the contrary between the parties, pay within fourteen days from the date of delivery of the sugarcane to the seller or tender to him the price of the cane sold at the rate fixed under sub-clause (1) either at the gate of the factory or at the cane collection centre or transfer or deposit the necessary amount in the Bank account of the seller or the Co-operative Society, as the case may be.

(4) Where sugarcane is purchased through an agent, the producer or the agent shall pay or tender payment of such price within the period and in the manner aforesaid and if neither of them has so paid or tendered payment, each of them shall be deemed to have contravened the provisions of this clause.

(5) At the time of payment at the gate of the factory or at the cane collection centre, receipts, if any, given by the purchaser, shall be surrendered by the cane-grower or Co-operative Society.

(6) Where payment has been made by transfer or deposit of the amount to the Bank account of the seller or the Co-operative Society, as the case may be, the receipt given by the purchaser, if any, to the grower or the Co-operative Society, if not returned to the purchaser, shall become invalid.

4. **Minimum price of sugarcane payable by producers of khandsari sugar.**—The Central Government or a State Government, with the concurrence of the Central Government, may, by notification in the Official Gazette, from time to time, fix the minimum price or the price of sugarcane to be paid by producers of khandsari sugar or their agents for the sugarcane purchased by them:

Provided that the price or the minimum price of sugarcane so fixed shall not exceed the minimum price of sugarcane fixed for payment by producers of sugar in the region.

5. **Additional price for sugarcane purchased.**—(1) Where a producer of sugar or his agent purchases any sugarcane from a grower of sugarcane or a growers' co-operative society during each of the four successive years beginning on the 1st day of November, 1958, the producer shall, in addition to the minimum price of sugarcane fixed under sub-clause (1) of clause 3, pay to the grower or the co-operative society, as the case may be, an additional price, if found, due, in accordance with the provisions of the Schedule hereto annexed.

(2) Nothing in sub-clause (1) shall apply to the purchase of sugarcane,—

(a) where such sugarcane is used for the production of sugar in a newly established factory until the expiry of three years commencing from the year in which the factory is so established;

(b) where the purchase is made by a producer of sugar, which is a co-operative society, from the members of that co-operative society.

(3) If the Central Government is satisfied that during any year a factory has made no profit or has made inadequate profit, that government, may by order in writing, exempt either wholly or partially, any producer of sugar from payment of the additional price due from him under sub-clause (1) in respect of sugarcane purchased for that factory during that year.

(4) The Central Government may appoint any person or authority as it thinks fit for the purpose of determining the additional price due from a producer of sugar under sub-clause (1) for each of the successive four years beginning on the 1st day of November, 1958 and when the price is so determined, the person or authority, as the case may be, shall intimate the same in writing to the producer and to the growers' co-operative societies or the local growers' associations, if any, connected with the supply of sugarcane to the factory.

(5)(a) Any producer of sugar or grower of sugarcane or growers' co-operative society who or which feels aggrieved by any decision of the person or authority referred to in sub-clause (4), may, within thirty days from the date of communication of such decision under that sub-clause, appeal to the Central Government:

Provided that the Central Government may, if it is satisfied that the appellant had sufficient cause for not preferring the appeal within the aforesaid period of thirty days, admit the appeal if presented within a further period of fifteen days.

(b) The Central Government may, after giving an opportunity to the appellant to represent his case and after making such further enquiry as may be necessary, pass such order as it thinks fit.

(c) The decision of the officer or authority referred to in sub-clause (4) where no appeal is filed, and of the Central Government where an appeal is filed, shall be final.

(6) The price determined under sub-clause (4) or sub-clause (5), as the case may be, shall be paid at such time and in such manner as the Central Government may from time to time direct.

(7) Where any payment has been made in accordance with the directions issued by the Central Government under sub-clause (2) of clause 5 as it stood immediately before the commencement of the Sugarcane (Control) Amendment Order, 1962, then, notwithstanding anything contained in the foregoing provisions of this clause, such payment shall be deemed to have been made in lieu of the payment provided for in this clause as if that sub-clause were in force when the direction was issued or payment was made.

**6. Power to regulate distribution and movement of sugarcane.**—(1) The Central Government may, by order notified in the Official Gazette,—

- (a) reserve any area where sugarcane is grown (hereinafter in this clause referred to as 'reserved area') for a factory having regard to the crushing capacity of the factory, the availability of sugarcane in the reserved area and the need for production of sugar, with a view to enabling the factory to purchase the quantity of sugarcane required by it;
- (b) determine the quantity of sugarcane which a factory will require for crushing during any year;
- (c) fix, with respect to any specified sugarcane grower or sugarcane growers generally in a reserved area, the quantity or percentage of sugarcane grown by such grower or growers, as the case may be, which each such grower by himself or, if he is a member of a co-operative society of sugarcane growers operating in the reserved area, through such society, shall supply to the factory concerned;
- (d) direct a sugarcane grower or a sugarcane growers' co-operative society, supplying sugarcane to a factory, and the factory concerned to enter into an agreement to supply or purchase, as the case may be, the quantity of sugarcane fixed under paragraph (c);
- (e) direct that no gur (jaggery) or khandsari sugar or sugar shall be manufactured from sugarcane except under and in accordance with the conditions specified in the licence issued in this behalf;
- (f) prohibit or restrict or otherwise regulate the export of sugarcane from any area (including a reserved area) except under and in accordance with a permit issued in this behalf.

(2) Every sugarcane grower, sugarcane growers' co-operative society and factory, to whom or to which an order made under paragraph (c) of sub-clause (1) applies, shall be bound to supply or purchase, as the case may be, that quantity of sugarcane covered by the agreement entered into under the paragraph and any wilful failure on the part of the sugarcane grower, sugarcane growers' co-operative society or the factory to do so, shall constitute a breach of the provisions of this Order:

Provided that where the default committed by any sugarcane growers' co-operative society is due to any failure on the part of any sugarcane grower, being a member of such society, such society shall not be bound to make supplies of sugarcane to the factory to the extent of such default.

**7. Power to license Power Crushers, Khandsari Units and crushers and to regulate the purchase of sugarcane.**—The Central Government may, by order—

- (a) direct that a power crusher or a khandsari unit or a crusher not belonging to a grower or body of growers of sugarcane shall not be worked except under and in accordance with a licence issued by the Central Government in that behalf;
- (b) direct that in a reserved area—
  - (i) no sugarcane shall be purchased for crushing by a power crusher;
  - (ii) no sugarcane or sugarcane juice shall be purchased for crushing or for manufacture of gur, shakkar, gul, jaggery, rab or khandsari sugar, as the case may be, by a khandsari unit or by a crusher not belonging to a grower or body of sugarcane growers in the area, except under and in accordance with a permit issued by the Central Government in that behalf;

Provided that where such a permit is issued—

- (i) the Central Government may direct the permit-holder to purchase sugarcane or sugarcane juice only through a co-operative society of sugarcane growers, where such a society exists, and to pay commission to the society on the sugarcane or sugarcane juice purchased through it at such rate as may be fixed by the Central Government;
- (ii) the permit-holder shall not crush sugarcane or purchase sugarcane juice in excess of the quantity specified by the Central Government in the permit and shall work the power crusher, khandsari unit or the crusher, as the case may be, only during such period or such hours as may be so specified;

- (c) direct the owner or other person in charge of a power crusher, a khand-sari unit or a crusher not belonging to a grower or a body of growers of sugarcane in a reserved area to shift it to such place outside the reserved area as may be specified by the Central Government for the purpose:

Provided that the factory, for which the area is reserved, undertakes to pay the cost of shifting, as determined by the Central Government, within such time as may be fixed by that Government on the basis of agreement between the parties in this behalf, or in the event of there being no such agreement, on a fair and reasonable basis, after affording both parties an opportunity to make representations in writing as to the cost involved and the basis of calculation thereof;

- (d) direct any person engaged in the production, manufacture, supply or distribution of, or trade and commerce in sugarcane, sugarcane juice, sugar, gur, shakkar gul, jaggery, rab or khandsari sugar, to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto as may be specified in the order;
- (e) provide for the grant or issue of licences or permits, the charging of fees therefor, the deposit of such sum, if any, as may be specified in the order as security for the due performance of the conditions of any such licence or permit, the forfeiture of the sum so deposited or any part thereof for contravention of any such conditions and the adjudication of such forfeiture by such authority as may be specified in the order;
- (f) provide for any incidental or supplementary matters for which the Central Government thinks it expedient for the purposes of the order to provide, including, in particular, the entry into, search and inspection of premises, places or vehicles, seizure by a person authorised to make such search of any crusher, power crusher or khandsari unit in respect of which such person has reason to believe that a contravention of the order has been or is likely to be, committed and the rendering of such equipment inoperative by sealing or otherwise.

**8. Power to issue directions to Producers of Khandsari sugar, Power Crushers, Khandsari Units, Crushers and Co-operative Societies.**—The Central Government may, from time to time, by general or special order, issue directions to any producer of khandsari sugar or owner of a power crusher, khandsari unit or crusher or the agent of such producer or owner or a co-operative society, regarding the purchase of sugarcane or sugarcane juice, production, maintenance of stocks, storage, price, packing, payment, disposal, delivery and distribution of sugarcane, gur, gul, jaggery and rab or khandsari sugar or the period or hours to be worked.

**9. Power to call for information, etc.**—The Central Government or any person authorised in this behalf by the Central Government, may, with a view to securing compliance with this Order or to satisfy itself or himself that this Order is complied with—

- (a) direct any producer of sugar to supply, within such period as may be specified, such information, returns or reports, as may be required relating to the recovery of sugar, duration of season, cost of manufacture, stocks of sugar, price realised or to be realised for sugar, molasses, press-mud and bagasse, amount realised or to be realised by way of refund or of exemption from excise duty or cane cess or purchase tax or by way of grant or subsidy given by the Central Government or a State Government, commission to co-operative societies paid or to be paid, amounts spent on approved schemes of sugarcane development, commission paid on sale of sugar, export loss, amounts spent on rehabilitation or amount transferred as reserve to a special rehabilitation account, or any other information that may be required for the purpose of this Order;
- (b) direct any owner or operator of a power crusher, a khandsari unit or a crusher not belonging to a grower or body of growers of sugarcane to supply, within such period as may be specified, such information, returns or reports, as may be required relating to purchase of sugarcane or sugarcane juice, production, maintenance of stocks, storage, sale, price, grade, packing, marking, payment, disposal, delivery and distribution of gur, gul, jaggery and rab or khandsari sugar or the period or hours worked or the like;



- (c) direct a co-operative society to supply, within such period as may be specified, such information, returns or reports, as may be required relating to sale of sugarcane or sugarcane juice to a producer of sugar or power crusher, a khandsari unit or a crusher not belonging to a grower or body of growers of sugarcane, price at which sold and commission received, or the like;
- (d) inspect or direct or authorise any person to inspect any accounts, books, registers or other documents belonging to or under the control of producer of sugar or his agent or under the control of the owner or the agent of such owner of a power crusher, a khandsari unit or a crusher not belonging to a grower or body of growers of sugarcane or a co-operative society relating to any of the matters specified in sub-clauses (a), (b) or (c).

10. Every producer of sugar, producer of khandsari sugar, his agent or factory, every sugarcane grower or other person or a co-operative society to whom or to which any order or direction is issued under any of the powers conferred by or under this Order shall comply with such order or direction.

11. **Delegation of powers.**—The Central Government may, by notification in the Official Gazette, direct that all or any of the powers conferred upon it by this Order shall, subject to such restrictions, exceptions and conditions, if any, as may be specified in the direction, be exercisable also by:

- (a) any officer or authority of the Central Government;
- (b) a State Government or any officer or authority of a State Government.

12. **Repeal and Saving.**—(1) The Sugarcane (Control) Order, 1955 and any order made thereunder regulating or prohibiting the production, supply and distribution of sugarcane and trade or commerce therein are hereby repealed, except as respect things done or omitted to be done under any such order before the commencement of this Order.

(2) Notwithstanding such repeal, an order made by any authority which is in force immediately before the commencement of this Order and which is consistent with this Order shall continue in force and all appointments made, prices fixed, licences and permits granted, and directions issued under any such order and in force immediately before such commencement shall likewise continue in force and be deemed to be made, fixed, granted or issued in pursuance of this Order.

#### THE SCHEDULE

[See Clause 5(1)]

The amount to be paid on account of additional price (per maund or quintal of sugarcane) under clause 5 by a producer of sugar shall be computed in accordance with the following formula, namely:—

$$\frac{X}{100} \times \frac{(P-T-S-R)}{M} = Y$$

*Explanation:* In this formula—

(1) 'X' is the percentage cost of sugarcane to the total cost of sugar (excluding taxes) as determined by the Central Government from time to time on the basis of the recovery and duration of season of the factory for the year.

Provided that the cost of sugar (excluding taxes) shall be worked out on the basis of the relevant schedule of costs given in the report of the Tariff Commission (1959) on the Cost Structure of Sugar and Fair Price payable to the Sugar Industry, subject to the adjustment of such rise in cost subsequent to the Tariff Commission enquiry in 1959 as in the opinion of the Central Government cannot be absorbed by the margin for contingency included in the relevant schedule and the consequent rise in return.

(2) 'P' is the sum of (i) the average ex-factory price (per maund or quintal) realized by a producer of sugar and adjusted to ISS Grade D-29 according to the price differentials fixed by Government, (ii) the money realized by the producer of sugar from the sale of molasses, press-mud and bagasse, in relation to each maund or quintal of sugar, and (iii) any amount realized by the producer of sugar by way of refund or exemption of excise duty or cane cess or cane purchase tax, or by way of grant of subsidy given by the Central Government or a State Government in relation to each maund or quintal of sugar:

Provided that out of the rebate of excise duty granted to a producer of sugar by virtue of the notification of the Government of India in the Ministry of Finance Nos. GSR 706 dated the 25th June, 1960 and GSR 664 dated the 4th May, 1961, only 75 per cent of such rebate shall be included.

(3) 'T' is the amount paid in relation to each maund or quintal of sugar on account of excise duty, cane cess, cane purchase tax, commission paid to co-operative societies or cess imposed on sugar or sugarcane by the Central Government or a State Government or by any authority and any sum spent on approved schemes of sugarcane development.

(4) 'S' is the actual amount of commission paid in relation to each maund or quintal of sugar:

Provided that such amount shall not exceed seventy-five paise for every sum of rupees one hundred of sugar sold:

Provided further that no commission shall be taken into account in respect of sugar sold directly by a producer of sugar or in pursuance of any order of the Central Government.

(5) 'R' is such allowance per maund or quintal of sugar for the factory as may be deemed reasonable by the Central Government, having regard to the amount actually spent by the factory on rehabilitation during the year and the amount transferred as reserve to a special rehabilitation account during the year.

(6) 'M' is the weight in maunds or quintals of sugarcane required to produce a maund or quintal of sugar and such weight shall be calculated by dividing the total weight of the sugarcane purchased by the weight of the sugar produced therefrom and for this purpose, the weight of sugarcane purchased shall be the sum of the total weight of sugarcane crushed plus actual drilage, subject to a ceiling of one per cent, on the weight of sugarcane purchased at centres other than the factory gate.

(7) 'Y' is the total sum of (i) the minimum price of sugarcane per maund or quintal fixed by the Central Government under sub-clause (i) of clause (3) of the Sugarcane (Control) Order, 1955, (ii) any extra price paid by the producer for sugarcane in addition to the aforesaid minimum price, and (iii) the premium, if any, paid for any approved variety of sugarcane or under any scheme approved by the Central Government for payment of price of sugarcane on the basis of quality.

Provided that rebates, if any, allowed in the minimum price aforesaid (excluding a rebate allowed on account of transport charges) shall be deducted from the total sum aforesaid.

[No. 2(6), 66-S.Py.]

#### NOTIFICATION

*New Delhi, the 10th July 1966*

**G.S.R. 1127/Ess.Com./Sugarcane.**—In exercise of the powers conferred by clause 11 of the Sugarcane (Control) Order, 1966, and in supersession of the notification of the Government of India in the late Ministry of Food and Agriculture (Department of Food) No. G.S.R. 263/Ess.Com./Sugarcane dated the 20th February, 1964, the Central Government hereby directs that powers conferred on it by clauses 6, 7,

8 and 9 of the said Order shall be exercisable also by the State Governments of Andhra Pradesh, Assam, Bihar, Gujarat, Kerala, Madhya Pradesh, Madras, Maharashtra, Mysore, Orissa, Punjab, Rajasthan, Uttar Pradesh and West Bengal, the Cane Commissioner, Bihar, Cane Commissioner, Uttar Pradesh, and the Lieutenant Governor of Pondicherry within their or, as the case may be, his respective jurisdiction.

[No. 2(6)/66-S.Py].

K. L. PASRICHA, Jt. Secy.